

HOUSE APPROVES MEASURE TO RESTORE COMPETITION, FAIRNESS IN HEALTH INSURANCE

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Federal antitrust oversight of health insurance company practices is sorely needed to promote competition in the industry. The McCarran-Ferguson Act, which became law in 1945, provided the insurance industry with a broad exemption from federal antitrust laws. Currently, oversight of health insurance competitive practices is limited to the states, which often lack the resources to prevent anti-competitive behavior. In the last 14 years, there have been 400 mergers among health insurers and now 94 percent of all insurance markets are “highly concentrated,” meaning consumers have little or no choice between insurance providers.

The Health Insurance Industry Fair Competition Act will put consumers first and ensure that families receive a fair deal by requiring health insurance companies to play by the same set of rules as other industries. The measure will repeal the blanket antitrust exemption presently granted to health insurance companies, outlawing anti-competitive health insurance practices such as price fixing, bid rigging, and market allocation that drive up health insurance costs for all Americans. Such practices have been outlawed in other industries for decades.

Our measure restoring competition and transparency to the health insurance market received broad bipartisan support in the House. I am hopeful that it will be swiftly approved by the Senate and signed into law.

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